



DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-874]

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India:

Preliminary Results of Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) from India during the period of review, January 1, 2020, through December 31, 2020. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Eliza Siordia or Eric Hawkins, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3878 or (202) 482-1988, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2021, Commerce published a notice of initiation of an administrative review of the countervailing duty order on cold-drawn mechanical tubing from India.¹ On October 5, 2021, Commerce extended the time period for issuing these preliminary results by 117 days, in

¹ See *Initiation and Countervailing Duty Administrative Reviews*, 86 FR 17124 (April 1, 2021); see also *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China and India: Countervailing Duty Orders*, 83 FR 4637 (February 1, 2018) (*Order*).

accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act).² The revised deadline for these preliminary results is now February 25, 2022.

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included at the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the *Order*

The merchandise covered by the *Order* is cold-drawn mechanical tubing from India. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, we preliminarily find that there is a subsidy, *i.e.*, a financial contribution that gives rise to a benefit to the recipient, and the subsidy is specific.⁴ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

The Act and Commerce's regulations do not directly address the subsidy rate to be applied to companies not selected for individual examination where Commerce limits its

² *See* Memorandum, "Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review, 2020," dated October 5, 2021.

³ *See* Memorandum, "Decision Memorandum for the Preliminary Results of Countervailing Duty Administrative Review: Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India; 2020," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that “the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

Accordingly, to determine the rate for companies not selected for individual examination, Commerce’s practice is to weight average the net subsidy rates for the selected mandatory companies, excluding rates that are zero, *de minimis*, or based entirely on facts available.⁵ We preliminarily determine that Goodluck India Limited (Goodluck) and Tube Investments of India Ltd. (TII) received countervailing subsidies that are above *de minimis* and are not based entirely on facts available. Therefore, we preliminarily determine to apply the weighted-average of the net subsidy rates calculated for Goodluck and TII using publicly ranged sales data submitted by those respondents to the non-selected companies.⁶ The following companies are companies for which a review was requested, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent: KLT Automotive and Tubular Products Limited; Metamorphosis Engitech India Private Limited; and Pennar Industries Limited India.

Preliminary Results of Review

⁵ See, e.g., *Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review*, 75 FR 37386, 37387 (June 29, 2010).

⁶ See Memorandum, “Calculation of Subsidy Rate for Non-Selected Companies Under Review,” dated February 25, 2022.

For the period January 1, 2020, through December 31, 2020, we preliminarily find that the following net subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Goodluck India Limited ⁷	3.30
Tube Investments of India Ltd. ⁸	5.57
Review-Specific Average Rate Applicable to the Following	
KLT Automotive and Tubular Products Limited	3.96
Metamorphosis Engitech India Private Limited	3.96
Pennar Industries Limited India	3.96

Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries in accordance with the final results of this review. If the assessment rate calculated in the final results is zero or *de minimis*, we will instruct CBP to liquidate all appropriate entries without regard to countervailing duties. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts indicated above, except, where the rate calculated in the final results is *de minimis*, no cash deposit will be required on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or

⁷ Entries for Goodluck India Limited may have been made under the following company names: Goodluck India Limited (formerly Good Luck Steel Tubes Limited); Good Luck Steel Tubes Limited Good Luck House; and Good Luck Industries.

⁸ Tube Investments of India Ltd. is also known as Tube Investments of India Limited.

after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.⁹ Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than seven days after the date for filing case briefs.¹⁰ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹¹ Case and rebuttal briefs should be filed using ACCESS¹² and must be served on interested parties.¹³ Executive summaries should be limited to five pages total, including footnotes. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁴

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.¹⁵ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. Issues raised in the hearing will be limited to

⁹ See 19 CFR 351.224(b).

¹⁰ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2).

¹² See generally 19 CFR 351.303.

¹³ See 19 CFR 351.303(f).

¹⁴ See *Temporary Rule*.

¹⁵ See 19 CFR 351.310(c).

those raised in the respective case and rebuttal briefs.¹⁶ If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date. Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5:00 p.m. Eastern Time on the due date.

Final Results of Review

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

Notification to Interested Parties

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: February 24, 2022.

Lisa W. Wang,

Assistant Secretary

for Enforcement and Compliance.

¹⁶ See 19 CFR 351.310.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Period of Review
- V. Rate for Non-Examined Companies
- VI. Subsidies Valuation Information
- VII. Benchmarks and Interest Rates
- VIII. Analysis of Programs
- IX. Recommendation

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